



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 8**

999 18TH STREET- SUITE 300

DENVER, CO 80202-2466

Phone 800-227-8917

<http://www.epa.gov/region08>

January 26, 2005

Ref: 8EPR-SR

Ms. Chris Yunker
First National Bank of Montana
85 North Main Street
Kalispell, MT

RE: Property at 11424 Yaak River Road

Dear Chris:

We have recently discussed the subject property and the impending sale. EPA provided a comfort letter to aid in the sale of the property. You stated that the underwriter for the loan would not accept the letter, and indeed, would not loan on a property near Libby unless EPA stated unequivocally that the property was either (1) clearly outside of the Libby Asbestos Site boundary, or (2) free of all contamination. As I explained on the phone and is alluded to in the comfort letter, we cannot do either of those things for the subject property because we have not yet established a site boundary around Troy and have not completed a full investigation at this property or any others outside of the immediate Libby area.

To try to assist you in getting the loan completed, I offered to send a field team to the property to perform a cursory inspection. This was completed on January 26, 2005. The paperwork is attached to this letter. In our inspection, the samplers observed no visible signs of vermiculite on the property. This means that no matter where the ultimate boundary for the Libby Asbestos Site is established, it is unlikely that any action would be required at this property. However, this does not guarantee that the property is completely free of contamination and does not address any other potential hazardous substances or environmental concerns.

If this does not persuade your lender or underwriter, there is nothing else we can do. I will not state things that EPA cannot support or are not fact. Some lenders simply will not work with anything less than 100% certainty and assurances or will not lend on a property associated with a Superfund Site in any way. We've had good results with "local" companies as opposed to larger, national ones.

Please keep in mind that EPA Region 8 has not yet received funding to conduct full-scale investigations and sampling in and around Troy. The Montana Department of Environmental

Quality plans to begin full-scale inspection and sampling work in 2006, and hopes to establish a study area boundary around Troy in the coming months. Until then, we will only conduct investigations or inspections in the rarest of circumstances. We simply do not have the resources to attend to real estate concerns in Troy – our current focus is our work in Libby. We will try to assist you and others with any issues, but we will not be conducting inspections at all properties pending sale and cannot attest to information we do not have.

As I stated previously, I would be glad to discuss the situation with anyone to try to help. If you have any questions, please feel free to call me at (303) 312-6748.

Sincerely,

Sent via e-mail

Jim Christiansen
Remedial Project Manager

cc: Catherine Lecours, Montana Department of Environmental Quality

